

INDEPENDENT ACCOUNTANT'S REPORT

TOWN OF HEADRICK, OKLAHOMA

JULY 1, 2012 TO JUNE 30, 2013

BY





Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Headrick
Headrick, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Headrick, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2013 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Headrick is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agree-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Finding

As to the **Town of Headrick** as of and for the fiscal year ended June 30, 2013:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: We found no instances of noncompliance.

- 3. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the PWA Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: We found no instances of noncompliance.

- 4. Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: We found no instances of any significant or unusual reconciling items.

- 5. Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: We found no uninsured or uncollateralized deposits.

- 6. Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

- 7. Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

- 8. Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

As to the **Town of Headrick Grant Programs**, as of and for the fiscal year ended June 30, 2013:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a schedule of grant activity for each grant and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement(s).

Findings: We found no instances of noncompliance.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



FURRH & ASSOCIATES, PC

July 22, 2013

Town of Headrick
Headrick, Oklahoma
Summary of Changes in Fund Balance-Cash Basis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Beginning of Year Fund</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 3,072	\$ 3,652	\$ 4,149	\$ 2,575
Public Works Authority	33,867	48,091	42,882	39,076
Fire Department General Fund	19,118	7,836	5,541	21,413
Fire Department Operating	0	4,484	4,226	258
Wichita Falls Area Comm Fire Grant	0	0	0	0
Reap Grant No. 11-JK-110012	0	99,861	99,861	0
Overall Totals	<u>\$ 56,057</u>	<u>\$ 163,924</u>	<u>\$ 156,659</u>	<u>\$ 63,322</u>

Town of Headrick
Headrick, Oklahoma
Budgetary Comparison Schedule-Cash Basis
General Fund
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Beginning Budgetary Fund Balance:	\$ 3,072	\$ 3,072	\$ 3,072	\$ 0
Resources (Inflows):				
Alcoholic Beverages Tax	400	400	476	(76)
Franchise Tax Income	1,800	1,800	1,835	(35)
Motor Vehicle Tax	600	600	667	(67)
Gasoline Tax	150	150	174	(24)
Other Revenue	200	200	500	(300)
Total Inflows	3,150	3,150	3,652	(502)
Amounts Available for Appropriation	6,222	6,222	6,724	(502)
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	1,020	1,020	1,080	(60)
Maintenance, Operations & Repairs	5,202	5,202	3,069	2,133
Total General Government	6,222	6,222	4,149	2,073
Total Charges to Appropriations	6,222	6,222	4,149	2,073
Ending Budgetary Fund Balance	\$ 0	\$ 0	\$ 2,575	\$ (2,575)

Town of Headrick
Headrick, Oklahoma
Budgetary Comparison Schedule-Cash Basis
Public Works Authority Fund
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Beginning Budgetary Fund Balance:	\$ 39,587	\$ 39,587	\$ 33,867	\$ (5,720)
Resources (Inflows):				
Water and Sewer Receipts	34,000	34,000	34,983	(983)
Meter Deposits	500	500	1,050	(550)
Garbage Receipts	11,000	11,000	11,601	(601)
Other Revenue	0	0	457	(457)
Total Inflows	45,500	45,500	48,091	(2,591)
Amounts Available for Appropriation	85,087	85,087	81,958	(8,311)
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	6,600	6,600	6,730	(130)
Maintenance, Operations, Repairs	78,487	78,487	36,152	42,335
Total General Government	85,087	85,087	42,882	42,205
Total Charges to Appropriations	85,087	85,087	42,882	42,205
Ending Budgetary Fund Balance	\$ 0	\$ 0	\$ 39,076	\$ (50,516)

Town of Headrick
Headrick, Oklahoma
REAP Grant No. 50597
Revenue and Expenditures Compared with Budget
Year Ended June 30, 2013

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 99,861	\$ 99,861	\$ 0
<u>Expenditures</u>			
Grant Expenditures	<u>99,861</u>	<u>99,861</u>	<u>0</u>
Total Expenditures	<u>99,861</u>	<u>99,861</u>	<u>0</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.